

LIFE BRANDZ LTD.

(Incorporated in the Republic of Singapore)
Company registration No. : 200311348E

SECOND QUARTER FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 JANUARY 2008**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULTS (Q1,Q2,Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	The Group		% Increase/ (Decrease)
		3 months ended 31 Jan		
		2008 S\$'000	2007 S\$'000	
CONTINUING OPERATIONS				
Revenue		11,300	9,281	22%
Other gains (net)				
- Miscellaneous		935	698	34%
Expenses				
- Inventories and consumables used		(2,827)	(2,515)	12%
- Advertising, media and entertainment		(1,404)	(1,202)	17%
- Employee benefits		(3,577)	(3,134)	14%
- Amortisation, depreciation and impairment		(1,183)	(881)	34%
- Finance		(43)	(90)	-52%
- Rental on operating leases		(1,235)	(992)	24%
- Transportation		(25)	(16)	56%
- Legal and professional fees		(289)	(290)	NM
- Contract services		(385)	(330)	17%
- Licence and permits		(337)	(160)	147%
- Other operating expenses		(1,169)	(674)	65%
Changes in inventories of finished goods		(9)	523	-102%
Total expenses		(12,483)	(9,761)	28%
(Loss)/ Profit before income tax	Ø	(248)	218	-214%
Income tax written back		-	220	NM
(Loss)/Profit from continuing operations		(248)	438	-157%
(Loss)/Profit attributable to minority interest		(249)	60	-311%
Profit from continuing operations attributable to equity holders of the Company		1	378	-100%
* DISCONTINUED OPERATIONS				
Loss from discontinued operations		-	(215)	NM
Total loss for the period		-	(215)	NM

NM : Not meaningful

Notes to Income Statement

CONTINUING OPERATIONS

i) The Group's (loss)/ profit before tax is arrived at after charging / (crediting):-

	The Group			
	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS *	
	3 months ended 31 Jan		3 months ended 31 Jan	
	2008	2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
a) Depreciation on property, plant and equipment	1,120	763	-	66
b) Amortisation and impairment of intangible assets	63	118	-	-
c) Provision for doubtful debts	1	-	-	-
d) Foreign exchange (gain) /loss	14	7	-	-
e) Interest income	(52)	(26)	-	-
e) Interest expenses	39	-	-	-
g) Service charge surplus	(896)	(660)	-	-
j) Other income	(1)	-	-	-
k) Rental on operating leases	1,235	992	-	181
l) Intangible assets written off	-	164	-	-

*** DISCONTINUED OPERATIONS**

On 23 July 2007, the Company had entered into the Sale Agreement for the sale by the Company of its entire shareholding interest in the Dashing Diva Pte Ltd and N-Inc Pte Ltd. In accordance with FRS 105, non current assets held for sale and discontinued operations, the results of Dashing Diva Pte Ltd and N-Inc Pte Ltd have been classified as discontinued operations and presented separately in the income statement for the financial period ended 31 January 2007.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheets

	The Group		The Company	
	31/1/2008 S\$'000	31/7/2007 S\$'000	31/1/2008 S\$'000	31/7/2007 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	16,126	15,571	12,451	13,238
Trade and other receivables	3,244	929	12,544	5,770
Other current assets	1,011	1,597	148	791
Inventories at cost	907	791	-	-
	<u>21,288</u>	<u>18,888</u>	<u>25,143</u>	<u>19,799</u>
Non-Current Assets				
Property, plant and equipment	17,044	16,849	27	116
Intangible assets	893	880	-	-
Investments in subsidiaries	-	-	3,200	3,200
Intercompany long term loan	-	-	1,000	1,000
	<u>17,937</u>	<u>17,729</u>	<u>4,227</u>	<u>4,316</u>
Total Assets	<u>39,225</u>	<u>36,617</u>	<u>29,370</u>	<u>24,115</u>
LIABILITIES				
Current Liabilities				
Trade and other payables	8,348	7,879	1,419	704
Borrowings	3,189	4,992	7,848	3,522
Current income tax liabilities	4	4	4	4
	<u>11,541</u>	<u>12,875</u>	<u>9,271</u>	<u>4,230</u>
Non-current Liabilities				
Deferred tax liabilities	219	219	-	-
Borrowings	5,639	457	-	212
	<u>5,858</u>	<u>676</u>	<u>-</u>	<u>212</u>
Total Liabilities	<u>17,399</u>	<u>13,551</u>	<u>9,271</u>	<u>4,442</u>
Net Assets	<u>21,826</u>	<u>23,066</u>	<u>20,099</u>	<u>19,673</u>
SHAREHOLDERS' EQUITY				
Share capital and share premium	42,021	42,021	42,021	42,021
Accumulated losses	(20,130)	(19,335)	(21,921)	(22,348)
	<u>21,891</u>	<u>22,686</u>	<u>20,100</u>	<u>19,673</u>
Minority interest	(65)	380	-	-
Total equity	<u>21,826</u>	<u>23,066</u>	<u>20,100</u>	<u>19,673</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	The Group			
	As at 31/01/2008		As at 31/07/2007	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	527	2,662	308	4,684
Amount repayable after one year	-	5,639	212	245
	<u>527</u>	<u>8,301</u>	<u>520</u>	<u>4,929</u>

Details of any collateral

A charge on Fixed Deposit of the Company for S\$527,000 placed with a financial institution for a credit facility granted to the Company.

1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	3 months ended 31 Jan	
	2008	2007
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/ profit before tax	(248)	3
Adjustments for:		
Depreciation on Property, Plant and Equipment	1,120	829
Property, Plant & Equipment written off	160	-
Amortisation on intangible assets	63	118
Provision for doubtful debts	1	-
Interest income	(52)	(26)
Factoring charges and interest expense	39	90
Franchise fee written off	-	164
Operating profit before working capital changes	<u>1,083</u>	<u>1,178</u>
Change in operating assets and liabilities, net of effects from		
Trade and other receivables	(566)	(305)
Other current assets	(118)	(2,688)
Inventories	9	(523)
Trade and other payables	(1,235)	6,238
Provision for other liabilities	(13)	-
Net cash (used)/ generated from operating activities	<u>(840)</u>	<u>3,900</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(283)	(10,247)
Purchases of franchises and licenses	(218)	(106)
Proceeds from sale of plant and equipment	-	-
Interest received	52	26
Net cash (used) in investing activities	<u>(449)</u>	<u>(10,327)</u>
Cash flows from financing activities		
Repayments of borrowings	(2,936)	(580)
Proceeds from borrowing	7,000	-
Placement in bank deposits pledged as security	(527)	(505)
Factoring charges and interest expense paid	(39)	(77)
Net cash generated/ (used) in financing activities	<u>3,498</u>	<u>(1,162)</u>
Net increase/ (decrease) in cash and cash equivalents	2,209	(7,589)
Cash and cash equivalents at the beginning of the financial period	13,390	12,912
Cash and cash equivalents at end of the financial period	<u>15,599</u>	<u>5,323</u>
1(c)(i) Analysis of the balances of cash and cash equivalents		
Cash and bank balances	15,599	5,323
Short-term deposits pledged as security	527	505
	<u>16,126</u>	<u>5,828</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

(i) Consolidated statement of changes in equity for the period ended 31 Jan 2008 - Group

	Share Capital S\$'000	Foreign Currency Translation Reserve S\$'000	(Accumulated Losses)/ Retained Earnings S\$'000	Minority Interest S\$'000	Total S\$'000
Balance at 1 November 2007	42,021	-	(20,131)	184	22,074
Net gain/ (loss) for the period	-	-	1	(249)	(248)
Balance at 31 January 2008	<u>42,021</u>	<u>-</u>	<u>(20,130)</u>	<u>(65)</u>	<u>21,826</u>
Balance at 1 November 2006	29,108	-	(17,591)	749	12,266
Net gain for the period	-	-	163	60	223
Balance as at 31 January 2007	<u>29,108</u>	<u>-</u>	<u>(17,428)</u>	<u>809</u>	<u>12,489</u>

(ii) Statement of changes in equity for the period ended 31 Jan 2008- Company

	Share Capital S\$'000	(Accumulated Losses)/ Retained Earnings S\$'000	Total S\$'000
Balance at 1 November 2007	42,021	(22,208)	19,813
Net gain for the period	-	287	287
Balance at 31 Jan 2008	42,021	(21,921)	20,100
Balance at 1 November 2006	29,108	(21,229)	7,879
Net loss for the period	-	344	344
Balance at 31 Jan 2007	29,108	(20,885)	8,223

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The company did not issue any shares during the current period and the corresponding period under review.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group	
	31/1/2008	31/7/2007
Total number of issued shares excluding treasury shares	734,000,000	734,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not Applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation have been adopted for the current reporting year as compared with the most recently audited financial statements of LifeBrandz Ltd for the year ended 31 July 2007.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has applied the same accounting policies and methods of computation in the presentation of the financial statements for the current reporting period compared with the audited financial statements as at 31 July 2007, except for the adoption of the FRS 107, Financial Instruments: Disclosure and Amendments to FRS 1, Presentations of Financial Statements (Capital Disclosure). The Standards relate mainly to disclosure requirements.

FRS 1 Presentation of Financial Statements
FRS 107 Financial Instruments : Disclosure and Amendments

The adoption of the above FRS did not result in substantial changes to the Group's accounting policies.

The financial statements, comprising the consolidated income statement, balance sheets, statements of changes in equity and consolidated cashflow statements, have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group	
	3 months ended 31 January 2008	2007
Earnings / (Loss) per share ("EPS") for the period attributable to the equity holders of the Company :		
Based on the weighted average number of ordinary shares		
- from continuing operations - Basic (cents)	NM	0.06
- from discontinued operations - Basic (cents)	-	(0.03)
	NM	0.03

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	31/1/2008	31/7/2007	31/1/2008	31/7/2007
Net assets backing per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	2.98	3.09	2.74	2.68

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

In Q2 FY2008, the Group continued to focus its efforts on growing its core F&B and entertainment businesses. Revenues rose from S\$9.28 million to S\$11.30 million over the same period a year ago, principally due to a full quarter of contributions from its branded entertainment district, The Cannery at Clarke Quay, which includes Aurum, Barfly, Bice, Clinic, Fashion Bar and Kandi Bar (all of which were launched in mid December 2006), Lunar (launched at the end of September 2007) and Ministry of Sound (launched in mid December 2005), as well as from designer beach concept Café del Mar at Sentosa island (launched in mid January 2007).

In line with the enlarged operations, total expenses rose from S\$9.76 million the previous year to S\$12.48 million this year, including inventories and consumables used, employee benefits, advertising, media and entertainment, rental on operating leases. License and permit fees also increased from S\$160,000 the previous year to S\$337,000 during Q2 2008, due to the provision of royalties payable to the Ministry of Sound as franchisor. Following two successful years of operations of the Ministry of Sound brand in Singapore, the initial fixed royalty arrangement has ended and has been replaced with a royalty fee arrangement based on a percentage of revenues from the venue.

The Group continued to see strong cashflows from operations, with cash and cash equivalents rising to S\$16.1 million this quarter from S\$5.83 million a year ago.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group continues to see encouraging performances from its branded entertainment venues in Singapore, with Lunar becoming more established and attracting a regular clientele, since its opening in September 2007.

Management continues to focus on developing its stable of brands, aggressively exploring growth opportunities and other ventures across the Greater China region. Work continues on the upcoming Buddha-bar and Lunar venues in the Las Vegas Sands Venetian Resort in Macao, which are scheduled to be opened in the 2008 calendar year.

In Singapore, the Group is currently exploring opportunities associated with the inaugural F1 race in September 2008, as well as other opportunities in connection with the opening of the integrated resorts over the next two years.

As announced on 6 February 2008, a Writ of Summons was issued in the High Court of Singapore, served by Nimbus Holdings Ltd and Ministry of Sound International Limited, alleging the infringement of Nimbus Holdings Ltd's registered trademark and seeking an injunction to restrain LifeBrandz Ltd from using the trademark and an inquiry as to damages. LifeBrandz Ltd is reviewing the matter and will provide shareholders with an update as and when appropriate.

- 11 Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Books Closure date

Not applicable

- 12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared/recommended for the year under review.

- 13 Statement pursuant to Rule 705(4) of the listing manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the Q2FY2008 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

Lee Shieh-Peen Clement
Director

Kenneth Goh Tzu Seoh
Director

14 March 2008